

WHAT IS CLAIMED IS:

[0114] 1. A method of dynamically determining an optimal promotion to be offered on an Internet website operated by an Internet merchant, comprising:

- (a) receiving configuration data from the Internet merchant;
- (b) randomly sampling visitors to the Internet website according to the configuration data;
- (c) determining an optimal promotion using the data acquired in step (b); and
- (d) displaying the optimal promotion to the Internet merchant.

[0115] 2. The method of claim 1, wherein said configuration data includes sampling parameters.

[0116] 3. The method of claim 1, where said configuration data includes potential promotions to be offered to the sampled population in step (b).

[0117] 4. The method of claim 1, wherein said configuration data includes whether the sampling is to be performed continuously or at discrete intervals.

[0118] 5. The method of claim 1, wherein said configuration data includes data for segmenting the population into clusters.

[0119] 6. The method of claim 1, wherein said configuration data includes a minimum threshold for automatically propagating an optimal promotion.

[0120] 7. The method of claim 1, wherein said configuration data includes a minimum basket size for receiving a promotion.

[0121] 8. The method of claim 1, wherein said random sampling is performed on the entire population of visitors to the website.

[0122] 9. The method of claim 1, wherein visitors to the website are grouped, and each group is sampled separately.

[0123] 10. The method of claim 9, wherein an optimal promotion is determined for each group.

[0124] 11. The method of claim 10, additionally comprising updating the website such that a visitor is offered the optimal promotion determined in step (c) according to the visitor's group.

[0125] 12. The method of claim 10, wherein groups are determined based upon prior purchasing behavior.

[0126] 13. The method of claim 10, wherein groups are determined based upon demographic characteristics.

[0127] 14. The method of claim 1, wherein step (c) comprises determining a promotion that optimizes profit.

[0128] 15. The method of claim 1, additionally comprising:
(d) automatically updating the website to use the optimal promotion determined in step (c).

[0129] 16. The method of claim 1, additionally comprising:

(d) automatically updating the website to use the optimal promotion determined in step (c) if the optimal promotion meets a minimum threshold.

[0130] 17. The method of claim 16, wherein the minimum threshold is that the optimal promotion determined in step (c) is a predetermined percentage better than a currently offered promotion for the product.